



Course Outline

A POLYTECHNIC INSTITUTION

School of Business

Program: Integrated Management Systems

Option:

FMGT 3221
Cost and Managerial Accounting

Start Date: September, 2004

End Date: December, 2004

Total Hours: 56 **Total Weeks:** 14

Term/Level: 3 **Course Credits:** 4

Hours/Week: 4 **Lecture:** 2 **Lab:** 2

Shop: Seminar: Other:

Prerequisites

Course No. Course Name

FMGT 2100 Accounting 2

▪ **Course Description**

A specialist course that introduces students to Management Accounting applications for General Managers in both service and manufacturing firms.

Students will study a variety of analytical techniques that can be applied to financial and operational data to support management decisions.

▪ **Evaluation**

Quizzes	10%
Mid Term Examination	40%
Final Examination	50%
TOTAL	100%

▪ **Course Learning Outcomes/Competencies**

Upon successful completion, the student will be able to:

1. Describe the purpose for which the manager needs accounting information.
2. Identify cost types and cost classifications and illustrate with examples.
3. Distinguish between process costing and job order costing. Identify companies that use each of these methods.
4. Compute and apply predetermined overhead rates.
5. Use a job order costing system in the determination of cost flows.
6. Use weighted average and FIFO methods of process costing.
7. Identify and provide examples of variable, fixed, and mixed costs.
8. Explain the effect of a change in activity on total and unit costs.
9. Analyse a mixed cost by the high-low method and the least-squares method.
10. Analyze the effects of changes in prices, volumes, and cost structures on organizational profitability.
11. Perform sensitivity analysis of cost-volume-profit relationships.
12. Prepare income statements using the contribution margin approach.

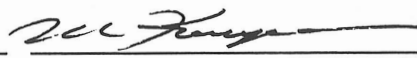
13. Prepare income statements using both variable and absorption costing methodologies.
14. Reconcile net income figures under variable and absorption costing.
15. Explain the major differences between activity based costing and a traditional costing system.
16. Use the simplified approach to compute activity based costs and margins
17. Prepare all the components of a Master Budget (with emphasis on the Cash Budget).
18. Explain how flexible manufacturing systems and just-in-time purchasing and production affect cost accounting systems.
19. Compute variances from standard cost and explain their significance.
20. Prepare performance reports that incorporate flexible budgets.
21. Prepare an analysis showing whether a product line or organizational segment should be dropped or retained.
22. Prepare a make or buy analysis.
23. Make appropriate computations to determine the most profitable use of scarce resources.
24. Prepare an analysis showing whether joint products should be sold at the split-off point or processed further.
25. Determine the acceptability of investment projects using the net present value and the internal rate of return methods.
26. Allocate service department costs to other departments using the direct, step and reciprocal methods.

▪ **Verification**

I verify that the content of this course outline is current.

Marc Kampschuur, B.COMM(hons), LLB, CA

Authoring Instructor

 MAY 31, 2004

Signature/Date

I verify that this course outline has been reviewed.

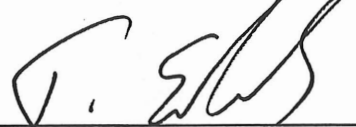
Senior Instructor

Signature/Date

I verify that this course outline complies with BCIT policy.

Tim Edwards Dipl.T, MBA, CMA,

Associate Dean

 Aug 31 / 04

Signature/Date

Note: Should changes be required to the content of this course outline, students will receive reasonable notice.

▪ **Instructor(s)**

Marc Kampschuur

Office Location: SE6 - 371
Office Hrs.: As Posted.

Office Phone: (604) 451-6756
E-mail Address: marc_kampschuur@bcit.ca

▪ **Learning Resources**

Required:

- Managerial Accounting: Sixth Canadian Edition: Garrison, Noreen, Chesley and Carroll, ISBN 0-07-091516-4
- Financial Calculator
(Sharp EL-733A is preferred - note that programmable calculators are not permitted during quizzes and examinations)

Recommended: Access to Excel

▪ **Information for Students**

1. **Changes to outlines, schedules, and mark allocations:**

All outlines, schedules and mark allocations are subject to change at the discretion of the instructor.

2. **Transfer credits:**

This course outline may assist you in the future in obtaining credit for all or part of a course from another post-secondary institution or professional program. Accordingly it is strongly recommended that you keep this course outline in a safe place for future reference.

Completion of this course and of the course which follows with an acceptable grade, gives the student transfer credit to the courses offered by the three professional accounting bodies in B.C. as well as other professional bodies such as those for financial planners and managers.

3. **Ethics:**

BCIT assumes that all students attending the Institute will follow a high standard of ethics and model behaviour in the classroom that is appropriate to the workplace.

4. **Cheating, plagiarism and dishonesty:**

Acts of cheating, plagiarism and dishonesty are not tolerated. The degree of punitive action may range from a written warning to expulsion from the program. These penalties may also be applied to students who knowingly contribute to the act of dishonesty, cheating and plagiarism. Please refer to the current BCIT Calendar as your registration in the course implies acceptance of the standards of conduct. Your instructor and program head are available to provide clarification on the standards of conduct.

5. **Electronics:**

Programmable calculators, personal digital assistants, electronic dictionaries, electronic translators, and cell phones may not be used during exams. It is strongly recommended that you bring a watch to examinations as cell phones are not permitted for time keeping or any other purpose.

The use of recording devices of any kind is not permitted in class. This rule may be waived for special needs students when appropriate and prior arrangements have been made.

6. E-mail:

You may contact your instructor via e-mail at marc_kampschuur@bcit.ca. Please note that I do not use the "my.bcit" email account. The subject line of your email must be in the following format or your message will be deleted without being read:

"course number" "last name" "first name" "student number" "set letter"

As an example: FMGT 3221 Kampschuur Marc 123456 A

During the week I will endeavour to respond to e-mails within 48 hours. During weekends I may not be available to respond to e-mail. If your e-mail contents a question regarding course content you are required to indicate how you attempted to answer your question and provide an answer for comment.

7. Examinations:

Examinations are an important and necessary component of Financial Management courses. Students are expected to write quizzes, mid-terms, and final examinations on the scheduled days (refer to the schedule on your course outline). If a circumstance arises wherein a legitimate illness makes it impossible to write an exam then your instructor must receive notification in advance of the scheduled examination date and a Doctor's note. In such circumstances, the instructor may decide to:

- a) allow you to write a comprehensive final exam in the event of a missed midterm exam; or,
- b) allow you to write at an alternate time in the event of a missed final exam.

In all other cases, missed examinations will result in a mark of zero.

8. I.D. Required in Examination Centers:

In order to write exams, students are required to produce photo-identification at examination centers. Photo I.D. must be placed on the student's desk before an exam will be issued to the student. The I.D. must remain in view on the desk for inspection by invigilators during the exam. The BCIT OneCard or alternatively two pieces of identification including a government photo I.D. (driver's license) are acceptable forms of identification. Please see BCIT Policy #5300, Formal Invigilation Procedures.

9. Attendance:

The attendance policy as outlined in the current BCIT calendar will be enforced. Attendance may be taken at the beginning or end of each session. Students not present at that time will be recorded as absent. Excessive absence will be deemed to be missing more than two classes without approval from the Instructor. Upon notification of excessive absence and failure to provide adequate explanation, the student may be disqualified from writing the final examination. In the event of illness, a doctor's note may be required for missed assignments and is required for missed examinations.

Students are expected to model conduct appropriate to a professional work place while in attendance.

10. Attempts:

Students must successfully complete a course within a maximum of three attempts at the course. Students with two attempts in a single course will be allowed to repeat the course only upon special written permission from the Associate Dean. Students who have not successfully completed a course within three attempts will not be eligible to graduate from the appropriate program.

▪ **Assignment Details:**

1. Though sufficient time is scheduled to complete assignments prior to the due dates, it is strongly recommended that assignments are completed as early as possible to allow time for assistance should it be required.
2. Students are required to bring their textbooks to labs.
3. Students may submit their assignments for the instructor individualized feedback.

▪ **Schedule**

Week of	Material Covered in Lecture	Required Reading	Assignment	Due the Week of
Sept 6	Ch. 1 – Managerial Accounting and the Business Environment Ch. 2 – Cost Terms, Concepts and Classifications	Ch. 1 & 2	P2-18 P2-21	Sept 13
Sept 13	Ch. 3 – Systems Design: Job Order Costing Ch. 4 – Systems Design: Process Costing	Ch. 3 & 4	P3-21, P3-23 P4-15, P4-16	Sept 20
Sept 20	Ch. 5 – Cost Behaviour: Analysis and Use	Ch. 5	P5-17, P5-21	Sept 27
Sept 27	Quiz – Chapters 1 to 4			
Sept 27	Ch. 6 – Cost-Volume-Profit Relationships Ch. 7 – Variable Costing: A Tool for Management	Ch. 6 & 7	P6-12, P6-22 P7-11, P7-13	Oct 4
Oct 4	Ch. 8 – Activity Based Costing	Ch. 8	P8-13, P8-14	Oct 12
Oct 12	Ch. 9 – Profit Planning	Ch. 9	P9-16, P9-22	Oct 25
Oct 18	Mid Term Exam: Chapters 1 to 8			
Oct 25	Ch. 10 – Standard Costs and Balanced Scorecard Ch. 11 – Flexible Budgets and Overhead Analysis	Ch. 10 & 11	P10-11, P10-15 P11-23	Nov 1
Nov 1	Ch. 13 – Relevant Costs for Decision Making	Ch. 13	P13-18, P13-20	Nov 8
Nov 8	Ch. 14 – Capital Budgeting Decisions	Ch. 14	P14-16, P14-22	Nov 15
Nov 15	Quiz – Chapters 9 to 14 (excluding Ch.12)			
Nov 15	Appendix A - Service Department Costing	Appendix A	A-8, A-15	Nov 22
Nov 22	Appendix A - Service Department Costing (continued)	Appendix A		
Nov 29	Review			
Dec 6	Final Exam Chapters 9, 10, 11, 13, 14 & Appendix A			

